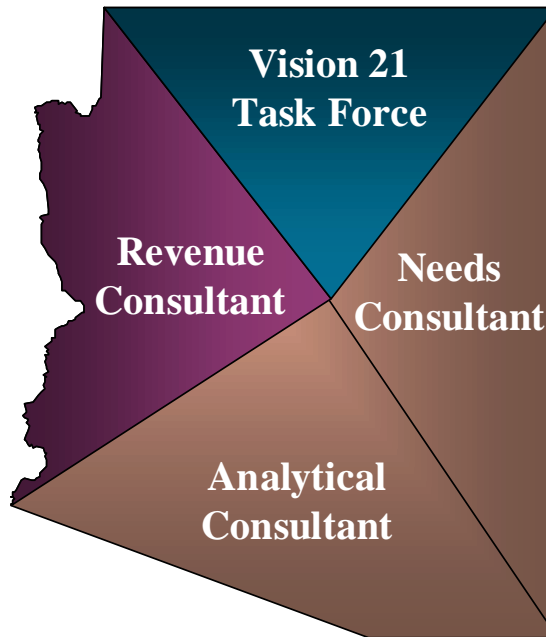


**Governor's Transportation Vision 21 Task Force**  
**Revenue Consultant Summary Report to Task Force**

**Draft Revenue Plan**



**March 1, 2001**

# I. INTRODUCTION

## BACKGROUND

The role of the Revenue Consultant to the Governor's Transportation Vision 21 Task Force is to develop revenue-related information that will allow the Task Force to develop a fiscally balanced, long-range multimodal transportation plan for Arizona. The development of a preferred revenue plan requires that the following items are identified and addressed:

- projected revenues for transportation from existing sources;
- potential alternative revenue sources and issues associated with them;
- candidate sources for alternative revenue packages; and
- impacts of alternative revenue packages.

The modes addressed in the Needs Analysis include roadway, bus and rail, aviation, non-motorized and multimodal. In general, non-motorized and multimodal improvements are funded through the same sources as roadway projects. Therefore, the five Needs Analysis categories equate to three Revenue Analysis categories: roadway (including non-motorized and multimodal); transit (bus and rail); and aviation.

## KEY ASSUMPTIONS

Key assumptions that support the Revenue Analysis work are presented below.

- In general, future revenues were estimated using a conservative approach. This is to minimize the possibility of less revenue being available than projected.
- Future revenue projections are in constant 2000 dollars, in order to consider the impact of inflation in the comparison of needs and revenues.
- Future Base Case revenue projections reflect anticipated changes in activity (i.e. population growth, changes in fuel efficiency, etc.) and assume no changes in current taxes or fees.

- ***conservative forecasting approach***
- ***revenues are in constant 2000 dollars***
- ***no increases in current tax/fee structure assumed for Base Case revenues***
- ***Federal, regional, State and local sources of revenue included in analysis***

- Future Base Case revenue projections include Federal, regional, State and local revenues available for transportation.

## II. BASE CASE REVENUES

### SUMMARY

Table II-1 presents a summary of projected revenue in constant 2000 dollars for the 20-year period from Fiscal Year (FY) 2001 to FY 2020. The estimate of \$41.0 billion reflects the anticipated impact of the recent alternative fuel vehicle legislation as well as the payment of debt service requirements.

*Total revenue available for transportation over the next 20 years is estimated at \$41.0 billion (in constant 2000 dollars)*

Table II-1 Summary of Base Case Transportation Revenues

Future Revenue Estimates (millions of constant 2000 dollars) after Debt Service Requirements Met					
Mode	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
Roadway	\$7,955.1	\$8,432.6	\$8,580.1	\$8,816.0	\$33,783.8
Transit	\$1,133.3	\$1,050.9	\$986.8	\$935.1	\$4,106.1
Aviation	\$846.7	\$795.5	\$771.0	\$751.1	\$3,164.3
<b>Total</b>	<b>\$9,935.1</b>	<b>\$10,279.0</b>	<b>\$10,337.9</b>	<b>\$10,502.3</b>	<b>\$41,054.3</b>

Highlights of the principal components of this estimate are presented in the following sections.

### ROADWAY REVENUES

There are four sources of roadway revenues: Federal, regional, State and local.

- **Federal:** Since 1992 and the Intermodal Surface Transportation Efficiency Act (ISTEA), the average annual increase in Federal funds has been 3.8%. These forecasts reflect a conservative 3% average annual increase.
- **Regional:** Maricopa, Pinal and Gila Counties have a sales tax with proceeds dedicated for transportation use. Revenue estimates for Pinal and Gila Counties are not available, but amounts are not expected to be significant. Maricopa County's Regional Area Road Fund (RARF) generates over \$200 million per year. The 0.5% surcharge will expire in FY 2006 and the Base Case revenue forecasts assume it will not be extended.
- **State:** The Highway User Revenue Fund (HURF) is the main State revenue source, with the principal HURF source being the gas tax.

HURF revenues are expected to increase on average by approximately 4% per year due to increases in population, fuel consumption, vehicle registrations, etc. Increased fuel efficiency is factored into fuel consumption estimates. No changes are assumed in tax/fee rates.

Other State sources of revenue for roadway projects include the Local Transportation Assistance Fund (LTAF I) and non-HURF portions of the Vehicle License Tax (VLT).

- **Local:** Generally, local revenues are not dedicated revenues, but are what local cities, towns and counties allocate for roadway projects from local general funds. This source is difficult to forecast, but since it is only a small portion of total roadway revenues, the risk due to potential overestimating is small.

Current debt service requirements were identified by the Arizona Department of Transportation (ADOT). After deducting these obligations from the forecasts, a total of \$33.8 billion is anticipated to be available for roadway needs, as reflected in Table II-2. HURF accounts for 62% of total roadway revenue.

*20-year roadway revenues total \$33.8 billion, with HURF accounting for 62% of the total*

## TRANSIT REVENUES

The transit revenue estimates reflect funds available for both capital and operating expenses. There are no regional sources of transit revenue.

- **Federal:** Federal revenue includes funds for both urban and rural systems although the majority is to urban systems and almost all is for capital projects, with very little allowed for operating expenses. Continued support of the Phoenix light rail project is assumed in the forecast of Federal funds.

*Revenues for transit for the next 20 years are estimated to total \$4.1 billion, with 79% from local sources*

- **State:** Portions of the VLT and lottery proceeds comprise the Local Transportation Assistance Fund (LTAF-II) that is dedicated to transit. The VLT portion is effective through September 30, 2003 and the lottery funds have been relatively small and inconsistent. A conservative assumption of no State revenue after FY 2003 has been used.

**Table II-2 Future Roadway Revenue Estimates**

Future Roadway Revenue Estimates (millions of constant 2000 dollars)					
Source	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
Federal	\$1,923.7	\$1,919.4	\$1,848.2	\$1,791.8	\$7,483.0
Regional	\$1,292.8	\$166.7	\$0.0	\$0.0	\$1,459.5
State					
HURF	\$5,103.2	\$5,525.2	\$5,674.0	\$5,832.0	\$22,134.3
Other	\$437.5	\$559.5	\$650.5	\$770.2	\$2,417.8
Subtotal	\$5,540.7	\$6,084.7	\$6,324.5	\$6,602.2	\$24,552.1
Local	\$556.0	\$528.4	\$484.6	\$447.4	\$2,016.3
<b>Total Roadway</b>	<b>\$9,313.2</b>	<b>\$8,699.1</b>	<b>\$8,657.2</b>	<b>\$8,841.3</b>	<b>\$35,510.9</b>

Future Roadway Revenue Estimates (percent of total)					
Source	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
Total Revenue (\$m)	\$9,313.2	\$8,699.1	\$8,657.2	\$8,841.3	\$35,510.9
Federal	21%	22%	21%	20%	21%
Regional	14%	2%	0%	0%	4%
State					
HURF	55%	64%	66%	66%	62%
Other	5%	6%	8%	9%	7%
Subtotal	59%	70%	73%	75%	69%
Local	6%	6%	6%	5%	6%
<b>Total Roadway</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Future Roadway Revenue Estimates After Debt Service Payments					
	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
Total Revenue (\$m)	\$7,955.1	\$8,432.6	\$8,580.1	\$8,816.0	\$33,783.8

- **Local:** Phoenix and Tempe have sales taxes with revenues dedicated for transit. Additionally, some localities allocate general funds each year for capital and/or operating expenses.

Transit revenues for the next 20 years are estimated to total \$4.1 billion. As indicated in Table II-3, local revenues account for 79% of total transit revenues.

Table II-3 Future Transit Revenue Estimates

Future Transit Revenue Estimates (millions of constant 2000 dollars)					
Source	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
Federal	\$213.6	\$206.9	\$194.0	\$183.8	\$798.2
Regional	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
State	\$50.5	\$0.0	\$0.0	\$0.0	\$50.5
Local - general funds/sales tax	\$710.3	\$707.2	\$679.1	\$656.3	\$2,752.8
Local - fares	\$159.0	\$136.9	\$113.7	\$95.1	\$504.6
Subtotal Local	\$869.2	\$844.0	\$792.8	\$751.4	\$3,257.5
<b>Total Transit</b>	<b>\$1,133.3</b>	<b>\$1,050.9</b>	<b>\$986.8</b>	<b>\$935.1</b>	<b>\$4,106.1</b>

Future Transit Revenue Estimates (percent of total)					
Source	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
Total Revenue (\$m)	\$1,133.3	\$1,050.9	\$986.8	\$935.1	\$4,106.1
Federal	19%	20%	20%	20%	19%
Regional	0%	0%	0%	0%	0%
State	4%	0%	0%	0%	1%
Local - general funds/sales tax	63%	67%	69%	70%	67%
Local - fares	14%	13%	12%	10%	12%
Subtotal Local	77%	80%	80%	80%	79%
<b>Total Transit</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## AVIATION REVENUES

The estimation of aviation revenues presents a particular challenge because of the difference in funding available for specific airports. The strategy used in estimating aviation revenues was to distinguish needs and revenues for Phoenix Sky Harbor International and Tucson International airports. This is because needs for these two airports are expected to be matched with Passenger Facility Charge (PFC) revenue and other local revenue as needed. Sources of aviation revenue are highlighted below and summarized in Table II-4.

- Federal:** The Aviation Investment and Reform Act for the 21<sup>st</sup> Century (AIR-21) provided a substantial increase in Federal funding for its three-year period (FY 2001 through FY 2203). Since future authorization levels are uncertain, a conservative approach using the average growth over the last nine years was used to develop the forecasts.

*A total of \$3.2 billion is estimated over the next 20 years to fund aviation needs. It is assumed that needs for Phoenix Sky Harbor International and Tucson International airports will be met. Forecasts reflect the continuation of a 50% share of the Flight Property Tax to the State Aviation Fund.*

**Table II-4 Future Aviation Revenue Estimates**

Future Aviation Revenue Estimates (millions of constant 2000 dollars)						
Airports	Source	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
Phoenix/Tucson	Federal	\$148.0	\$104.8	\$87.1	\$72.8	\$412.7
	State	\$4.5	\$3.9	\$3.2	\$2.7	\$14.4
	Local	\$490.5	\$534.3	\$552.7	\$567.5	\$2,144.9
	Subtotal	\$643.0	\$643.0	\$643.0	\$643.0	\$2,572.0
Other	Federal	\$148.0	\$104.8	\$87.1	\$72.8	\$412.7
	State	\$54.3	\$46.3	\$39.7	\$34.2	\$174.4
	Local	\$1.4	\$1.4	\$1.3	\$1.2	\$5.2
	Subtotal	\$203.7	\$152.5	\$128.0	\$108.1	\$592.3
Total	Federal	\$296.0	\$209.6	\$174.1	\$145.6	\$825.3
	State	\$58.8	\$50.2	\$42.9	\$36.9	\$188.8
	Local	\$491.9	\$535.7	\$553.9	\$568.6	\$2,150.2
Total Aviation		\$846.7	\$795.5	\$771.0	\$751.1	\$3,164.3

Future Aviation Revenue Estimates (percent of total)					
Source	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
Total Revenue (\$m)	\$846.7	\$795.5	\$771.0	\$751.1	\$3,164.3
Federal	35%	26%	23%	19%	26%
State	7%	6%	6%	5%	6%
Local	58%	67%	72%	76%	68%
Total Aviation	100%	100%	100%	100%	100%

- State:** The revenue potential of the State Aviation Fund has been decreased due to the amount of the Flight Property Tax that is allocated to this fund. Prior to FY 1998, the Flight Property Tax, which is levied on scheduled commercial aircraft, accounted for 75%-80% of State revenue specifically generated for airport development. Since FY 1998, new legislation in Arizona decreased the amount of Flight Property Tax revenue deposited in the State Aviation Fund from 100% to 50%. The forecasts presented herein reflect the continuation of the 50% share for the State Aviation Fund. In constant 2000 dollars, the 50% share equates to approximately \$126 million over 20 years.
- Local:** Considered as a local source is the Passenger Facility Charge (PFC) that is imposed at four of Arizona's airports. PFC revenue is administered at the Federal level, with local airports requesting approval for expenditures on specific projects. Table II-5 provides details on current PFCs.

Table II-5 Passenger Facility Charge Details for Arizona

Location	Start Date	Expiration Date	Total Approved (as of 12/31/00)	Current Estimate of Annual Revenue
Flagstaff Pulliam	12/1/92	1/1/15	\$2.5 million	\$0.1 million
Phoenix Sky Harbor	4/1/96	4/1/02	\$300.4 million	\$50.3 million
Tucson International	2/1/98	5/1/15	\$101.2 million	\$5.3 million
Yuma MCAS/Int	12/1/93	12/1/27	\$11.3 million	\$0.2 million

Phoenix Sky Harbor has indicated that they will renew their PFC when it expires next year. At that time, it is likely that the PFC will be increased to \$4.50.

Total revenue anticipated to be available for aviation needs over the next 20 years is estimated at \$3.2 billion. Of this, Phoenix Sky Harbor International and Tucson International airports account for \$2.6 billion, or 81%.

### III. ALTERNATIVE REVENUE SOURCES

#### BACKGROUND

In 1994/95 an analysis of alternative revenue sources for highway funding was conducted as part of the Highway Revenues Review Study. In that study, 25 alternative sources were assessed in terms of the following criteria and measures:

<b><u>Criteria</u></b>	<b><u>Measure</u></b>
• <b>Effectiveness:</b>	<i>elasticity</i> – responses to changes in market conditions <i>sensitivity</i> – response to inflation/economic cycles <i>administration</i> – relative ease and cost to collect taxes/fees <i>risk of evasion</i> – potential for evading payment
• <b>Structure:</b>	<i>revenue potential</i> – order-of-magnitude comparison of revenue producing ability
• <b>Impact:</b>	<i>economic/environmental consequences</i> – influences on mobility, air quality, etc.
• <b>Equity:</b>	<i>burden/use</i> – relationship of tax paid to vehicle usage <i>burden/income</i> – relationship of tax paid to overall wealth <i>tax burden</i> – comparison of one-year per capita burden or added tax payment on vehicle
• <b>Feasibility:</b>	<i>legal/constitutional</i> – degree of associated issues <i>public acceptance</i> – general public reaction

Table III-1 includes the 25 alternatives, plus an additional one that was requested to be added to the list. The scoring of each alternative in terms of the measures above is provided as well.

6+

Table III-1 Alternative Revenue Sources

Category	Revenue Source	Effectiveness				Structure	Impact	Equity			Feasibility	
		Elasticity	Sensitivity	Administration	Risk of Evasion	Revenue Potential	Economic/ Environ.	Burden/ Use	Burden/ Income	Tax Burden	Legal/ Constit.	Public Accept.
Existing HURF Source	Motor Vehicle Fuel Tax Increase	5	2	5	4	4	3	4	3	4	5	5
	Use Fuel Tax Increase	4	2	5	3	2	3	4	3	3	5	5
	VLT Increase	4	5	5	4	2	2	2	4	3	5	3
	Registration Fee Increase	5	2	5	5	3	3	2	2	4	5	4
	Motor Carrier Tax Increase (now Motor Carrier Fee)	4	2	5	3	2	3	5	4	2	5	3
User-Type Alternatives	Dedicated VLT	5	5	5	4	5	3	2	4	5	2	2
	VMT Tax	4	3	2	3	5	4	4	2	4	1	3
	Tolls/Congestion Pricing	3	3	1	3	5	4	5	3	3	2	2
	Parking/Tax Fee	4	3	2	4	2	3	3	3	3	2	1
	BTU/Energy Tax	5	2	2	4	5	3	4	2	3	2	3
	Alternative Fuels Tax	3	3	2	3	1	2	4	3	4	2	3
	Development Fees	3	3	2	5	2	3	1	2	3	2	3
Sales Taxes	Motor Fuels	5	3	4	4	5	3	4	3	4	3	4
	Motor Vehicles (Dedicated)	5	5	5	4	4	3	2	4	5	3	3
	Products and Services	4	4	3	2	4	3	2	3	4	2	2
	General Statewide Surcharge	4	4	3	4	5	3	1	3	4	3	3
	County Surcharge	4	4	3	4	4	3	1	3	4	3	3
Income, Property and Utility Tax	Personal Income Tax Surcharge	5	4	4	4	4	3	1	5	4	2	1
	Corporate Income Tax Surcharge	4	4	4	4	2	3	1	4	4	2	2
	Property Tax	5	4	4	4	5	3	1	3	2	2	2
	Utility Fees	5	3	3	4	4	3	2	2	4	2	2
Financing Methods	Value Capture	3	3	2	4	2	3	1	2	3	2	3
	Public/Private Joint Venture	not applicable										
	Expanded HURF Bonding Cap	not applicable and not included in 1994/95 study										
Misc.	Admissions Tax	4	2	4	3	1	3	1	4	5	2	2
	Accommodations Tax	4	3	4	4	2	3	1	4	4	2	3

5 = very positive  
4 = positive  
3 = neutral  
2 = negative  
1 = very negative

The scoring is quasi-quantitative, using estimates of impacts when known. During the earlier study, different weights were given to each measure to determine if some sources fared better than others from different perspectives. Table III-2 presents the relative ranking of each source depending on the measure emphasized. When a measure was emphasized its score was weighted to be 40% of the total.

Table III-2 Relative Ranking of Alternative Revenue Sources

Category	Revenue Source	Relative Ranking of Each Source By Emphasis							
		Equal	Effectiveness	Structure	Impact	Equity/ Use	Equity/ Income	Equity/ Tax Burden	Feasibility
Existing HURF Source	Motor Vehicle Fuel Tax Increase	1	1	3	1	2	4	3	1
	Use Fuel Tax Increase	9	10	15	9	7	13	16	2
	VLT Increase	15	9	17	19	13	7	18	8
	Registration Fee Increase	5	5	12	8	9	16	6	4
	Motor Carrier Tax Increase (now Motor Carrier Fee)	13	14	16	13	4	6	23	6
User-Type Alternatives	Dedicated VLT	3	1	2	6	10	3	2	9
	VMT Tax	7	12	5	3	5	18	7	12
	Tolls/Congestion Pricing	8	16	6	4	1	14	17	13
	Parking/Tax Fee	20	20	21	21	14	21	24	24
	BTU/Energy Tax	10	13	8	10	6	19	14	11
	Alternative Fuels Tax	24	24	24	24	11	22	20	22
	Development Fees	21	20	20	20	22	23	21	20
Sales Taxes	Motor Fuels	2	4	1	2	3	5	4	3
	Motor Vehicles (Dedicated)	3	3	7	5	8	2	1	5
	Products and Services	17	17	14	16	15	15	11	16
	General Statewide Surcharge	5	6	4	7	16	8	5	7
	County Surcharge	11	10	10	11	18	11	8	10
Income, Property and Utility Tax	Personal Income Tax Surcharge	14	8	11	14	19	1	9	18
	Corporate Income Tax Surcharge	19	17	19	18	21	12	15	19
	Property Tax	12	7	9	12	17	9	19	14
	Utility Fees	16	15	13	15	12	20	9	15
Financing Methods	Value Capture	23	23	22	23	23	24	22	21
	Public/Private Joint Venture	not applicable							
	Expanded HURF Bonding Cap	not applicable							
Misc.	Admissions Tax	22	22	23	22	24	17	12	23
	Accommodations Tax	18	19	18	17	20	10	13	18

## GUIDING PRINCIPLES

Development of a transportation finance structure should be guided by a number of principles. An over-arching principle that has guided development of transportation finance policies is the user pay principle; that is, those who use the facility or service pay for it.

While user charges are the major source of revenues for highway programs, non-user sources also provide important (even essential) support as well. The justification of non-user support principally derives from the linkage between the transportation infrastructure or service and the benefits it provides to the overall economy of an area.

With ever increasing needs and costs, there has been the need to supplement, but not replace, vehicle-related user fees. Although the gas tax remains the backbone of highway revenue, changes in fuel efficiency as well as alternative fuel types are eroding the effectiveness of this revenue source. At the same time, the political realities of raising fuel taxes to meet highway needs must be recognized.

There is no single silver bullet that will address the funding issues that Arizona must face. Consideration must be given to the balance of user and non-user fees as well as the ability to generate the additional revenue needed. Therefore, the results of the earlier study were used as a guide, with the score for feasibility (implementation and public acceptance) and structure (revenue potential) given emphasis. This approach has an inherent bias towards existing sources, but it is necessary to ensure the practicality of any funding options is seriously considered. It is noted that none of the high-ranking sources with a negative feasibility score are being used in other states as principal revenue sources to fund statewide programs.

The results of this screening process yielded five key potential revenue sources to be examined in more detail. As reflected in Table III-3, these include gas and use fuel tax increases; sales tax on motor fuels; dedication of sales tax on vehicles to transportation; and statewide sales tax surcharge.

***There are five potential revenue sources that meet the critical requirements of overall feasibility and sufficient revenue generation:***

- ***gas tax increase***
- ***use fuel tax increase***
- ***sales tax on motor fuels***
- ***dedication of sales tax on vehicles***
- ***statewide sales tax surcharge***

## **INDEXING**

Although indexing is not an alternative revenue source, it can protect existing fuel tax revenues from the impacts of inflation. Through indexing, fuel tax rates can be adjusted automatically with changing rates of inflation. It is also possible to index for changes in fuel economy. Ceilings and floors (maximum and minimum rates) can be established to improve public acceptability and protect against dramatic increases and decreases in rates.

Table III-3 Screening of Alternative Revenue Sources

Revenue Source	Overall Ranking	General Feasibility	General Revenue Potential	Those With Both Positive or Neutral Scores Considered By Current Study	If Not Considered, Primary Reason Why
Motor Vehicle Fuel Tax Increase	1	+	+	Yes	
Use Fuel Tax Increase	9	+	0	Yes	
VLT Increase	15	+	--		
Registration Fee Increase	5	+	0	No	Not sufficient revenue generation
Motor Carrier Tax Increase (now Motor Carrier Fee)	13	+	0	No	Not compatible with current direction
Dedicated VLT	3	0/--	+	No	Not compatible with current direction
VMT Tax	7	--	+		
Tolls/Congestion Pricing	8	--	+		
Parking/Tax Fee	20	--	--		
BTU/Energy Tax	10	--	+		
Alternative Fuels Tax	24	--	--		
Development Fees	21	--	--		
Sales Tax - Motor Fuels	2	0	+	Yes	
Sales Tax - Motor Vehicles (Dedicated)	3	0	+	Yes	
Sales Tax - Products and Services	17	--	0		
Sales Tax - General Statewide Surcharge	5	0	+	Yes	
Sales Tax - County Surcharge	11	0	+	No	statewide surcharge considered instead
Personal Income Tax Surcharge	14	--	0		
Corporate Income Tax Surcharge	19	--	--		
Property Tax	12	--	0		
Utility Fees	16	--	0		
Value Capture	23	--	--		
Public/Private Joint Venture	n.a.	n.a.	n.a.		
Expanded HURF Bonding Cap	n.a.	n.a.	n.a.		
Admissions Tax	22	--	--		
Accommodations Tax	18	--	--		

+ positive  
 0 neutral  
 -- negative

Currently four states (Florida, Nebraska, North Carolina and Wisconsin) have gas taxes that vary automatically. Several others (including Kentucky, Massachusetts, Ohio and Rhode Island) have statutes that allow for variable rates but effective per gallon rates have remained constant in recent years. A number of states (including Indiana, Maryland, Michigan, New Mexico, Virginia and Washington) have repealed earlier variable gas tax statutes. No state has adopted a variable tax since 1990, although several have tried (including Utah, Michigan, Colorado, Washington and California). An often cited reason for failure is that it would be an automatic tax increase without public input.

Although indexing counters the eroding impacts of inflation on a particular revenue source, it does not address the shortfall in revenue to cover unfunded needs. Therefore, periodic increases are likely to be needed even with indexing.

## IV. POTENTIAL REVENUE PACKAGES

### REVENUE TARGET

The current estimate of total transportation needs developed by the Needs Consultant is \$61.3 billion (in constant 2000 dollars) for the period FY 2001 through FY 2020. For the purposes of this analysis the needs are assumed to be evenly distributed across the four five-year periods.. A comparison of needs and revenues by mode by time period is depicted in Table IV-1.

Table IV-1 Projected Revenue Shortfall

Needs and Revenue Comparison (millions of constant 2000 dollars)						
Sources	Use	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
Revenue From Existing Sources	Roadway	\$7,955.1	\$8,432.6	\$8,580.1	\$8,816.0	\$33,783.8
	Transit	\$1,133.3	\$1,050.9	\$986.8	\$935.1	\$4,106.1
	Aviation	\$846.7	\$795.5	\$771.0	\$751.1	\$3,164.3
	Total Revenue	\$9,935.1	\$10,279.0	\$10,337.9	\$10,502.3	\$41,054.3
Needs	Roadway	\$12,601.0	\$12,601.0	\$12,601.0	\$12,601.0	\$50,404.0
	Transit	\$1,705.0	\$1,705.0	\$1,705.0	\$1,705.0	\$6,820.0
	Aviation	\$1,027.8	\$1,027.8	\$1,027.8	\$1,027.8	\$4,111.0
	Total Needs	\$15,333.8	\$15,333.8	\$15,333.8	\$15,333.8	\$61,335.0
Shortfall	Roadway	\$4,645.9	\$4,168.4	\$4,020.9	\$3,785.0	\$16,620.2
	Transit	\$571.7	\$654.1	\$718.2	\$769.9	\$2,713.9
	Aviation	\$181.0	\$232.3	\$256.8	\$276.6	\$946.7
	Total Shortfall	\$5,398.6	\$5,054.8	\$4,995.9	\$4,831.4	\$20,280.7

There is an anticipated \$20.3 billion shortfall between needs and revenues. During the first five-year period (FY 2001-2005), the shortfall is estimated to be \$5.4 billion.

The largest shortfall is associated with the greatest need category – roadway. A total of \$16.6 billion is estimated to be needed for roadway needs over the next 20 years, with \$4.6 billion required in the first 5 years.

***The 20-year revenue shortfall is estimated to be \$20.3 billion. The shortfall in the first five years could be \$5.4 billion or more.***

### REVENUE YIELDS OF POTENTIAL SOURCES

The potential revenue yield of the five alternative revenue sources identified in the previous section was quantified to provide the background information necessary to develop alternative revenue packages. Two additional sources were added to the list – parking and development fees. Although neither of these meet the test for major

revenue generation, they do represent sources that are supportive of policy directions. These sources providing incentives that encourage carpooling and transit use or make new development pay the price for additional infrastructure requirements.

Table IV-2 presents the typical revenue yields of the revenue sources under consideration. Additional detail is provided below.

Table IV-2 Typical Revenue Yields

Revenue Potential of Alternative Revenue Sources			
Source	Unit	Millions of constant 2000 dollars	
		Average One-Year Yield	20-year Yield
Gas tax increase	\$0.01	\$21.8	\$436.3
	\$0.05	\$109.1	\$2,181.3
Use fuel tax increase	\$0.01	\$6.0	\$120.5
	\$0.05	\$30.1	\$602.4
Sales tax on motor fuel	5% tax	\$98.9	\$1,978.4
Sales tax on automobiles dedicated to transportation	5% tax	\$424.4	\$8,487.8
	1% of 5%	\$84.9	\$1,697.6
Statewide sales tax surcharge	0.25%	\$238.0	\$4,760.0
	1.00%	\$952.0	\$19,039.9
Miscellaneous	Parking Fees	\$5.0-\$10.0	min. \$100.0
	Development Fees	\$87.2	\$1,743.2

## Motor Vehicle Fuel Tax Increases

A one-cent increase in the gas tax is expected to yield approximately \$21.8 million per year on average (in constant 2000 dollars). A similar increase in the use fuel tax is estimated to yield only \$6.0 million per year.

## Sales Tax On Motor Fuel

If the current 5% state sales tax was applied to the purchase price of gasoline (excluding federal and state taxes), it is estimated that just less than an average of \$100 million per year would be generated.

## Dedicated Sales Tax on Motor Vehicles

The 5% state sales tax applies to the purchase of motor vehicles. It is estimated that this sales tax currently accounts for approximately \$322 million per year, or 9% of total sales tax revenue. If the entire tax was dedicated to transportation, the additional revenue yield would be on average \$424 million per year. If one-fifth of the tax revenue was

dedicated (with the remainder allocated to the General Fund), the average annual revenue yield would be \$84.9 million. It is noted that this is not overall additional revenue, but a reallocation of revenue that currently is allocated to the State General Fund.

### **Statewide Sales Tax Surcharge**

The current 5% sales tax is estimated to generate approximately \$3.6 billion per year. A 0.25% surcharge (increase from 5% to 5.25%) is estimated to yield on average an additional \$238 million per year. A 1.0% surcharge is expected to yield \$952 million per year on average.

### **Miscellaneous**

The revenue yield of both the parking tax and statewide development fees is difficult to assess. Surcharges can be applied to parking fees in various ways, with the proceeds dedicated to transportation. The higher parking costs serve as an incentive to consider carpooling or transit modes, potentially decreasing the need for additional roadway infrastructure. Other major metropolitan areas such as Chicago and San Francisco have imposed parking taxes.

New housing starts were used as a proxy for estimating the potential revenue generation capability. It is estimated that the equivalent of a \$1,000 fee for each new residential permit would generate on average \$87.2 million per year. A lesser fee applied to both residential and commercial developments could be used to yield equivalent revenue levels. This is different from an impact fee wherein a developer is assessed the pro-rate share of additional infrastructure costs. The legal framework for a statewide development fee would have to be developed.

## **ALTERNATIVE REVENUE PACKAGES**

The list of alternative revenue sources was paired down from seven to five, primarily based on potential public and political acceptance. The two sources that were dropped include the sales tax on motor fuels and the dedication of the sales tax on vehicles.

Since both increases in fuel and state sales taxes are being considered, it appears that a third tax, a sales tax on motor fuels, might be impractical from a public acceptance perspective. The alternative revenue packages use a combination of increases in the fuel and sales taxes and do not consider a sales tax on motor fuels.

As previously noted, the dedication of revenue from the existing sales tax on vehicles would not be new but reallocated revenue. Therefore, shifting this amount would likely leave another need unfunded. The initial revenue packages do not include this source.

Table IV-3 includes three representative revenue packages to address the \$20.3 billion shortfall. There is an infinite number of revenue packages that could be developed. These specific packages were developed to illustrate different approaches, philosophies or timings for obtaining required revenues. Appendix Tables A-1 through A-4 provide the background information needed for the development of other revenue packages.

There are restrictions of use on fuel tax revenues. Revenues from these HURF sources can only be used for roadway needs. Sales tax revenue as well as revenue from parking and development fees are unrestricted and can be used for any transportation mode – transit, aviation or roadway. Table IV-3 distinguishes between restricted and unrestricted revenue.

### **Emphasis on User-Based Taxes**

The first package generates 56% of the additional revenue with user-based fuel tax increases. An initial 15-cent increase, followed by 5-cent increases in FY 2006 and FY 2011, are expected to generate \$11.8 billion. An additional \$9.2 billion is generated from a 0.5% state sales tax surcharge initiated in FY 2006 when the Maricopa County RARF expires.

For the entire \$16.6 billion roadway shortfall to be met with fuel tax increases, the current \$0.18 gas tax and \$0.26 diesel tax would have to be raised by at least \$0.20 in FY 2001, followed by a \$0.10 increase in FY 2006 and a \$0.05 increase in FY 2011. Even the \$0.20 increase in FY 2001 would not generate sufficient revenue to cover the initial five-year shortfall.

Waiting until FY 2006 to impose the sales tax surcharge results in a deficit for the first five-year period, as indicated in Table IV-4. This suggests that some initial needs must be delayed until sufficient revenue exists.

Table IV-3 Alternative Revenue Packages

Options for Generating Approximately \$20 Billion in Additional Revenue (millions of 2000 constant dollars)									
Option	Use	Source	Action	Estimated Revenue By Time Period				20-Year Yield	
				01-05	06-10	11-15	16-20		
Emphasis on User Based Taxes	Restricted	Gas Tax Increase	\$0.15 in FY 2001	\$1,683.9	\$1,678.1	\$1,615.6	\$1,566.3	\$6,543.8	
			additional \$0.05 in FY 2006		\$559.4	\$538.5	\$522.1	\$1,620.0	
			additional \$0.05 in FY 2011			\$538.5	\$522.1	\$1,060.6	
			Subtotal	\$1,683.9	\$2,237.4	\$2,692.7	\$2,610.5	\$9,224.4	
		Use Fuel Tax Increase	\$0.15 in FY 2001	\$459.3	\$464.1	\$448.7	\$435.1	\$1,807.2	
			additional \$0.05 in FY 2006		\$154.7	\$149.6	\$145.0	\$449.3	
			additional \$0.05 in FY 2011			\$149.6	\$145.0	\$294.6	
			Subtotal	\$459.3	\$618.8	\$747.9	\$725.1	\$2,551.0	
		Subtotal Restricted to Roadway Use			\$2,143.2	\$2,856.2	\$3,440.6	\$3,335.6	\$11,775.5
	Unrestricted	Sales Tax Increase	0.50% in FY 2006		\$2,254.0	\$2,504.9	\$2,803.7	\$7,562.6	
		Development Fees	beginning in FY 2003	\$319.6	\$472.8	\$392.8	\$328.4	\$1,513.6	
		Miscellaneous Fees	beginning in FY 2001	\$25.0	\$25.0	\$25.0	\$25.0	\$100.0	
		Subtotal Unrestricted Use			\$344.6	\$2,751.8	\$2,922.6	\$3,157.1	\$9,176.2
	Total				\$2,487.8	\$5,608.0	\$6,363.2	\$6,492.7	\$20,951.6
Emphasis on Sales Tax	Restricted	Gas Tax Increase	\$0.05 in FY 2001	\$561.3	\$559.4	\$538.5	\$522.1	\$2,181.3	
			additional \$0.04 in FY 2006		\$447.5	\$430.8	\$417.7	\$1,296.0	
			additional \$0.03 in FY 2011			\$323.1	\$313.3	\$636.4	
			Subtotal	\$561.3	\$1,006.8	\$1,292.5	\$1,253.0	\$4,113.6	
		Use Fuel Tax Increase	\$0.05 in FY 2001	\$153.1	\$154.7	\$149.6	\$145.0	\$602.4	
			additional \$0.04 in FY 2006		\$123.8	\$119.7	\$116.0	\$359.4	
			additional \$0.03 in FY 2011			\$89.7	\$87.0	\$176.8	
			Subtotal	\$153.1	\$278.4	\$359.0	\$348.0	\$1,138.6	
		Subtotal Restricted to Roadway Use			\$714.4	\$1,285.3	\$1,651.5	\$1,601.1	\$5,252.2
	Unrestricted	Sales Tax Increase	0.75% in FY 2003	\$1,811.6	\$3,381.0	\$3,757.3	\$4,205.5	\$13,155.4	
		Subtotal			\$1,811.6	\$3,381.0	\$3,757.3	\$4,205.5	\$13,155.4
		Development Fees	beginning in FY 2003	\$319.6	\$472.8	\$392.8	\$328.4	\$1,513.6	
		Miscellaneous Fees	beginning in FY 2001	\$25.0	\$25.0	\$25.0	\$25.0	\$100.0	
	Subtotal Unrestricted Use			\$2,156.2	\$3,878.8	\$4,175.0	\$4,558.9	\$14,769.0	
Total				\$2,870.6	\$5,164.1	\$5,826.5	\$6,160.0	\$20,021.2	
Balanced Emphasis	Restricted	Gas Tax Increase	\$0.07 in FY 2001	\$785.8	\$783.1	\$753.9	\$730.9	\$3,053.8	
			additional \$0.06 in FY 2002	\$539.3	\$671.2	\$646.2	\$626.5	\$2,483.3	
			additional \$0.05 in FY 2003	\$337.3	\$559.4	\$538.5	\$522.1	\$1,957.3	
			Subtotal	\$1,662.5	\$2,013.7	\$1,938.7	\$1,879.6	\$7,494.4	
		Use Fuel Tax Increase	\$0.07 in FY 2001	\$214.3	\$216.6	\$209.4	\$203.0	\$843.3	
			additional \$0.06 in FY 2002	\$146.8	\$185.6	\$179.5	\$174.0	\$685.9	
			additional \$0.05 in FY 2003	\$91.8	\$154.7	\$149.6	\$145.0	\$541.1	
			Subtotal	\$453.0	\$556.9	\$538.5	\$522.1	\$2,070.4	
		Subtotal Restricted to Roadway Use			\$2,115.4	\$2,570.6	\$2,477.2	\$2,401.6	\$9,564.8
	Unrestricted	Sales Tax Increase	0.25% in FY 2002	\$793.6	\$1,127.0	\$1,252.4	\$1,401.8	\$4,574.9	
			additional 0.25% in FY 2006		\$1,127.0	\$1,252.4	\$1,401.8	\$3,781.3	
			Subtotal	\$793.6	\$2,254.0	\$2,504.9	\$2,803.7	\$8,356.2	
		Development Fees	beginning in FY 2003	\$319.6	\$472.8	\$392.8	\$328.4	\$1,513.6	
		Miscellaneous Fees	beginning in FY 2001	\$25.0	\$25.0	\$25.0	\$25.0	\$100.0	
Subtotal Unrestricted Use			\$1,138.2	\$2,751.8	\$2,922.6	\$3,157.1	\$9,969.8		
Total				\$3,253.7	\$5,322.3	\$5,399.8	\$5,558.7	\$19,534.6	

Table IV-4 Revenue and Needs Comparison for User-Based Tax Package

Item	Millions of Constant 2000 Dollars from User-Based Tax Package				
	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total 20 Years
Needs	\$15,333.8	\$15,333.8	\$15,333.8	\$15,333.8	\$61,335.0
Existing Revenue	\$9,935.1	\$10,279.0	\$10,337.9	\$10,502.3	\$41,054.3
Additional Revenue	\$2,487.8	\$5,608.0	\$6,363.2	\$6,492.7	\$20,951.6
Total Revenue	\$12,422.9	\$15,887.0	\$16,701.0	\$16,995.0	\$62,005.9
Revenues Less Need By Time Period	-\$2,910.8	\$553.2	\$1,367.3	\$1,661.2	\$670.9
Overall Difference	-\$2,910.8	-\$2,357.6	-\$990.3	\$670.9	

## Emphasis on Sales Tax

The second package presented emphasizes sales tax revenue. As reflected in Table IV-3, \$13.2 billion, or 69% of the additional revenue, is generated from a sales tax surcharge. The 0.75% surcharge is assumed in FY 2003.

Fuel taxes are assumed to increase by \$0.05 in FY 2001, \$0.04 in FY 2006 and \$0.03 in FY 2011, yielding a total of \$5.3 billion.

The 20-year shortfall is virtually met, but sufficient revenue will not exist in early years, as indicated in Table IV-5. Therefore, unless additional revenue is raised, some initial needs must be delayed.

Table IV-5 Revenue and Needs Comparison for SalesTax-Based Package

Item	Millions of Constant 2000 Dollars from Sales Tax-Based Tax Package				
	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total 20 Years
Needs	\$15,333.8	\$15,333.8	\$15,333.8	\$15,333.8	\$61,335.0
Existing Revenue	\$9,935.1	\$10,279.0	\$10,337.9	\$10,502.3	\$41,054.3
Additional Revenue	\$2,870.6	\$5,164.1	\$5,826.5	\$6,160.0	\$20,021.2
Total Revenue	\$12,805.7	\$15,443.1	\$16,164.4	\$16,662.3	\$61,075.5
Revenues Less Needs By Time Period	-\$2,528.1	\$109.3	\$830.6	\$1,328.6	-\$259.5
Overall Difference	-\$2,528.1	-\$2,418.7	-\$1,588.1	-\$259.5	

## Balanced Emphasis

The final package developed generates almost equal amounts from user and non-user revenue sources. Although this package only generates \$19.5 billion of the total \$20.3 billion shortfall, more revenue is generated up-front. It is assumed that there will be phased-in fuel tax increases (\$0.07 in FY 2001, \$0.06 in FY 2002 and \$0.05 in FY 2003) in addition to a phased-in sales tax surcharge (0.25% in FY 2002 and 0.25% in FY 2006).

As reflected in Table IV-6, the revenue shortfall in the first five-year period is \$2.1 billion, as compared to \$2.9 billion and \$3.3 billion for the other packages.

Table IV-6 Revenue and Needs Comparison for Balanced Package

Item	Millions of Constant 2000 Dollars from Balanced Tax Package				
	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total 20 Years
Needs	\$15,333.8	\$15,333.8	\$15,333.8	\$15,333.8	\$61,335.0
Existing Revenue	\$9,935.1	\$10,279.0	\$10,337.9	\$10,502.3	\$41,054.3
Additional Revenue	\$3,253.7	\$5,322.3	\$5,399.8	\$5,558.7	\$19,534.6
Total Revenue	\$13,188.8	\$15,601.3	\$15,737.7	\$16,061.0	\$60,588.8
Revenues Less Need By Time Period	-\$2,145.0	\$267.6	\$403.9	\$727.3	-\$746.2
Overall Difference	-\$2,145.0	-\$1,877.4	-\$1,473.5	-\$746.2	

## Summary

The final revenue plan must balance many factors – revenue generating potential, phasing/timing, public acceptance, etc. The alternative revenue packages discussed in this section provide the broad framework for decision-makers to identify and review the key characteristics of the principal components. To assist in this review, the impact of the alternative packages on an Arizona household has been estimated and is presented in the following section.

## KEY IMPACTS

The key impacts of the revenue packages will be the increased tax burden to operate vehicles (that is, the additional amount spent in fuel tax) and the additional sales tax burden. For the purpose of this assessment, a two-car household with a \$40,000 household income is used. It is assumed that 25%, or \$10,000, is spent on taxable items.

Table IV-7 summarizes the impact of the three alternative revenue packages. The impact of each individual action is provided as well as the total annual impact by time period.. The increases in state gas tax payments range from \$156 to \$324 per year. The sales tax surcharge is expected to have a household impact of \$50 or \$75 annually, depending on the package. As a result, total household impact is estimated at \$270 to \$374 annually when all actions are implemented.

Table IV-7 Key Impacts of Alternative Revenue Packages

Key Impacts of Alternative Revenues				
Option	Action	Gas Tax	Sales Tax	Total
Emphasis on User Based Taxes	\$0.15 increase in FY 2001	\$195		\$195
	<b>Subtotal Annual Impact By End of FY 2001-2005</b>	<b>\$195</b>	<b>\$0</b>	<b>\$195</b>
	\$0.05 increase in FY 2006	\$65		\$65
	0.50% surcharge in FY 2006		\$50	\$50
	<b>Subtotal Annual Impact By End of FY 2006-2010</b>	<b>\$259</b>	<b>\$50</b>	<b>\$309</b>
	\$0.05 increase in FY 2011	\$65		\$65
	<b>Total Final Annual Impact</b>	<b>\$324</b>	<b>\$50</b>	<b>\$374</b>
Emphasis on Sales Tax	\$0.05 increase in FY 2001	\$65		\$65
	0.75% surcharge in FY 2003		\$75	\$75
	<b>Subtotal Annual Impact By End of FY 2001-2005</b>	<b>\$65</b>	<b>\$75</b>	<b>\$140</b>
	\$0.04 increase in FY 2006	\$52		\$52
	<b>Subtotal Annual Impact By End of FY 2006-2010</b>	<b>\$117</b>	<b>\$75</b>	<b>\$192</b>
	\$0.03 increase in FY 2011	\$39		\$39
	<b>Total Final Annual Impact</b>	<b>\$156</b>	<b>\$75</b>	<b>\$231</b>
Balanced Emphasis	\$0.07 increase in FY 2001	\$91		\$91
	\$0.06 increase in FY 2002	\$78		\$78
	\$0.05 increase in FY 2003	\$65		\$65
	0.25% surcharge in FY 2002		\$25	\$25
	<b>Subtotal Annual Impact By End of FY 2001-2005</b>	<b>\$234</b>	<b>\$25</b>	<b>\$259</b>
	0.25% surcharge in FY 2006		\$25	\$25
	<b>Total Final Annual Impact</b>	<b>\$234</b>	<b>\$50</b>	<b>\$284</b>
Note 1: Gas tax impacts assume two cars, each driven on average 12,000 miles per year with average of 18.5 mpg				
Note 2: Impacts are for household with \$40,000 average income, \$10,000 spent on taxable items				

# APPENDIX

Appendix Table A-1 Gas Tax Increase Revenue Yield Spreadsheet

Beginning Fiscal Year	Revenue Yield of \$0.01 Gas Tax Increase (in millions of constant 2000 dollars)				
	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
2001	\$112.3	\$111.9	\$107.7	\$104.4	\$436.3
2002	\$89.9	\$111.9	\$107.7	\$104.4	\$413.9
2003	\$67.5	\$111.9	\$107.7	\$104.4	\$391.5
2004	\$45.0	\$111.9	\$107.7	\$104.4	\$369.0
2005	\$22.4	\$111.9	\$107.7	\$104.4	\$346.4
2006		\$111.9	\$107.7	\$104.4	\$324.0
2007		\$89.4	\$107.7	\$104.4	\$301.6
2008		\$67.0	\$107.7	\$104.4	\$279.1
2009		\$44.4	\$107.7	\$104.4	\$256.5
2010		\$22.1	\$107.7	\$104.4	\$234.2
2011			\$107.7	\$104.4	\$212.1
2012			\$85.8	\$104.4	\$190.3
2013			\$64.1	\$104.4	\$168.6
2014			\$42.6	\$104.4	\$147.1
2015			\$21.2	\$104.4	\$125.6
2016				\$104.4	\$104.4
2017				\$83.3	\$83.3
2018				\$62.3	\$62.3
2019				\$41.5	\$41.5
2020				\$20.7	\$20.7

Unit value is \$0.01. Multiply the values by the increase (number of cents)

Appendix Table A-2 Use Fuel Tax Increase Revenue Yield Spreadsheet

Beginning Fiscal Year	Revenue Yield of \$0.01 Use Fuel Tax Increase (imillions of constant 2000 dollars)				
	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
2001	\$30.6	\$30.9	\$29.9	\$29.0	\$120.5
2002	\$24.5	\$30.9	\$29.9	\$29.0	\$114.3
2003	\$18.4	\$30.9	\$29.9	\$29.0	\$108.2
2004	\$12.3	\$30.9	\$29.9	\$29.0	\$102.1
2005	\$6.1	\$30.9	\$29.9	\$29.0	\$96.0
2006		\$30.9	\$29.9	\$29.0	\$89.9
2007		\$24.8	\$29.9	\$29.0	\$83.7
2008		\$18.6	\$29.9	\$29.0	\$77.5
2009		\$12.3	\$29.9	\$29.0	\$71.3
2010		\$6.1	\$29.9	\$29.0	\$65.1
2011			\$29.9	\$29.0	\$58.9
2012			\$23.8	\$29.0	\$52.8
2013			\$17.8	\$29.0	\$46.8
2014			\$11.8	\$29.0	\$40.8
2015			\$5.9	\$29.0	\$34.9
2016				\$29.0	\$29.0
2017				\$23.1	\$23.1
2018				\$17.3	\$17.3
2019				\$11.5	\$11.5
2020				\$5.7	\$5.7

Unit value is \$0.01. Multiply the values by the increase (number of cents)

Appendix Table A-3 Statewide Sales Tax Surcharge Revenue Yield Spreadsheet

Beginning Fiscal Year	Revenue Yield of 0.25% Sales Tax Surcharge (in millions of constant 2000 dollars)				
	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
2001	\$978.7	\$1,127.0	\$1,252.4	\$1,401.8	\$4,760.0
2002	\$793.6	\$1,127.0	\$1,252.4	\$1,401.8	\$4,574.9
2003	\$603.9	\$1,127.0	\$1,252.4	\$1,401.8	\$4,385.1
2004	\$408.6	\$1,127.0	\$1,252.4	\$1,401.8	\$4,189.9
2005	\$207.2	\$1,127.0	\$1,252.4	\$1,401.8	\$3,988.5
2006		\$1,127.0	\$1,252.4	\$1,401.8	\$3,781.3
2007		\$913.8	\$1,252.4	\$1,401.8	\$3,568.0
2008		\$694.3	\$1,252.4	\$1,401.8	\$3,348.6
2009		\$466.9	\$1,252.4	\$1,401.8	\$3,121.2
2010		\$235.6	\$1,252.4	\$1,401.8	\$2,889.8
2011			\$1,252.4	\$1,401.8	\$2,654.3
2012			\$1,012.3	\$1,401.8	\$2,414.2
2013			\$767.4	\$1,401.8	\$2,169.2
2014			\$517.5	\$1,401.8	\$1,919.4
2015			\$261.1	\$1,401.8	\$1,662.9
2016				\$1,401.8	\$1,401.8
2017				\$1,134.7	\$1,134.7
2018				\$861.1	\$861.1
2019				\$580.9	\$580.9
2020				\$293.9	\$293.9

Unit value is 0.25% Multiply the values by the unit increase

Therefore, a 0.5% surcharge yields two times values shown; 1.0% surcharge yields four times

Appendix Table A-4 Statewide Development Fee Revenue Yield Spreadsheet

Beginning Fiscal Year	Revenue Yield of Development Fee (imillions of constant 2000 dollars)				
	FY 2001-2005	FY 2006-2010	FY 2011-2015	FY 2016-2020	Total
2001	\$549.2	\$472.8	\$392.8	\$328.4	\$1,743.2
2002	\$432.5	\$472.8	\$392.8	\$328.4	\$1,626.5
2003	\$319.6	\$472.8	\$392.8	\$328.4	\$1,513.6
2004	\$210.1	\$472.8	\$392.8	\$328.4	\$1,404.0
2005	\$103.5	\$472.8	\$392.8	\$328.4	\$1,297.4
2006		\$472.8	\$392.8	\$328.4	\$1,194.0
2007		\$372.3	\$392.8	\$328.4	\$1,093.5
2008		\$274.8	\$392.8	\$328.4	\$995.9
2009		\$179.4	\$392.8	\$328.4	\$900.6
2010		\$87.9	\$392.8	\$328.4	\$809.1
2011			\$392.8	\$328.4	\$721.2
2012			\$308.2	\$328.4	\$636.7
2013			\$226.9	\$328.4	\$555.3
2014			\$148.6	\$328.4	\$477.0
2015			\$72.8	\$328.4	\$401.2
2016				\$328.4	\$328.4
2017				\$258.1	\$258.1
2018				\$190.2	\$190.2
2019				\$124.6	\$124.6
2020				\$61.2	\$61.2



